

Message Text

CONFIDENTIAL

PAGE 01 PARIS 07968 01 OF 02 281758Z

45

ACTION EB-07

INFO OCT-01 ARA-06 EUR-12 ISO-00 SSO-00 NSCE-00 INRE-00

SP-02 AID-05 NSC-05 CIEP-01 TRSE-00 SS-15 STR-04

OMB-01 CEA-01 CIAE-00 COME-00 FRB-03 INR-07 NSAE-00

XMB-02 OPIC-03 LAB-04 SIL-01 L-02 H-02 PRS-01 /085 W

----- 027477

O R 281747Z MAR 75

FM AMEMBASSY PARIS

TO SECSTATE WASHDC IMMEDIATE 7971

INFO AMEMBASSY BONN

AMEMBASSY SANTIAGO

C O N F I D E N T I A L SECTION 01 OF 02 PARIS 07968

E.O. 11652: GDS

TAGS: EFIN, CI

SUBJECT: CHILE DEBT RESCHEDULING

REF: A) PARIS 7769; B) STATE 69960

1. FOLLOWING CONVERSATION WITH BROSSOLETTE, REPORTED REF A, ECONCOMMIN DISCUSSED FRENCH POSITION WITH DUTET, ECONOMIC AND FINANCIAL ADVISER TO THE ELYSEE, ON MARCH 28. DUTET SAID HE HAD ASKED BAUCHARD IN FINANCE MINISTER'S "CABINET" TO STUDY THE POSSIBILITY OF DISCREETLY HOLDING A CREDITORS ONLY MEETING IN THE NEAR FUTURE. ECONCOMMIN REPLIED THAT, FOLLOWING DCM'S CONVERSATION WITH BROSSOLETTE, WE HAD BEEN GIVEN EXPLICIT INSTRUCTIONS FROM WASHINGTON THAT U.S. DID NOT BELIEVE DESIRABLE A MEETING OF CREDITORS ONLY WHICH WAS NOT HELD IN CONJUNCTION WITH ACTUAL PARIS CLUB MEETING. HE SAID THAT OUR CONCERN WAS THAT INDEFINITE DELAY IN SCHEDULING PARIS CLUB MEETING WOULD CREATE SERIOUS PROBLEMS FOR CHILE. DUTET REPLIED THAT ON THE CONTRARY, THE GOF BELIEVED THAT THE CREDITORS MEETING ALONE AND DISCREETLY COULD ACCOMPLISH A GREAT DEAL.

CONFIDENTIAL

CONFIDENTIAL

PAGE 02 PARIS 07968 01 OF 02 281758Z

2. ECONCOMMIN SAID HE FEARED THAT IF THE GOF HELD TO

THIS COURSE THERE WOULD BE GROWING PRESSURE IN WASHINGTON TO SEEK TO CHANGE THE VENUE OF THE CHILE DEBT CLUB TO A CITY WHERE POLITICAL CONSIDERATIONS OF THE KIND WHICH WERE CAUSING THE GOF SUCH CONCERN WOULD NOT APPLY. DUTET REPLIED THAT IF THIS HAPPENED FRANCE WOULD NOT ATTEND AND, HE BELIEVED, NEITHER WOULD GERMANY.

3. ECONCOMMIN ASKED DUTET WHAT HE THOUGHT THE CHANCES WERE THAT THE U.K. WOULD ATTEND MEETING OF CREDITORS ONLY. DUTET SAID HE COULD NOT BE CERTAIN THAT THE U.K. WOULD ATTEND A CREDITORS ONLY MEETING IN THE INITIAL STAGES, BUT HE BELIEVED THAT THIS FORMULA OFFERED THE BEST HOPE OF RECUPERATING THOSE COUNTRIES WHICH HAD DROPPED OUT, POSSIBLY INCLUDING THE U.K.

4. ECONCOMMIN SAID HE WOULD REGRETFULLY INFORM WASHINGTON OF THIS POSITION, WHICH DUTET ASSURED HIM WAS A FIRM GOF POSITION.

5. TREASURY REP THEN CALLED BAUCHARD, WHOSE COMMENTS CLOSELY PARALLELED THOSE OF DUTET. WHILE EXPRESSING DOUBTS ABOUT U.K. ATTENDANCE AT CREDITORS ONLY MEETING, BAUCHARD SAID HE HAD REASON TO BELIEVE THAT OTHER DEFECTING CREDITOR COUNTRIES WOULD AGREE TO ATTEND, EVEN ITALY. HE UNDERTOOK TO INFORM FINANCE MINISTER FOURCADE OF U.S. DOUBTS ABOUT DESIRABILITY OF SUCH A MEETING, BUT SAW NO HOPE THAT GOF WOULD AGREE TO EARLY MEETING OF FULL PARIS CLUB. HE SUGGESTED THAT PERHAPS A TALK BETWEEN FINANCE MINISTER FOURCADE AND SECRETARY SIMON DURING LATTER'S VISIT TO PARIS EARLY NEXT MONTH WOULD BE USEFUL IN RESOLVING FRANCO-U.S. DIFFERENCES ON THIS MATTER.

6. THIS CONVERSATION WAS FOLLOWED ALMOST IMMEDIATELY BY CALL FROM NEBOT, PARIS CLUB CHAIRMAN. HE ARGUED STRONGLY THAT CREDITORS ONLY MEETING (WHICH HE REITERATED HAD ORIGINATED WITH HIM) WAS DEVICE TO ALLOW FRANCE TO SAVE FACE. HE SAID THAT IN HIS VIEW SUCH A MEETING SHOULD BE CALLED ONLY WHEN IT CONFIDENTIAL

CONFIDENTIAL

PAGE 03 PARIS 07968 01 OF 02 281758Z

WAS CERTAIN THAT IT WOULD BE FOLLOWED QUICKLY BY MEETING OF CLUB WITH CHILEANS. (COMMENT: THIS IS AT ODDS WITH STATEMENTS OF DUTET AND BAUCHARD, AND SEEMS TO BE NEBOT'S PERSONAL CONCEPT OF SCENARIO.) HE SAID HE HOPED U.S. WOULD SEE WISDOM OF THIS COURSE AND WOULD HELP BUILD UP PRESSURE ON GOF BY TRYING TO PERSUADE ONE OR TWO SMALL COUNTRIES, SUCH AS BELGIUM AND DENMARK, TO RETURN TO FOLD.

7. COMMENT: WE ARE SATISFIED THAT THE GOF POSITION ON DELAYING INDEFINITELY (I.E., AT LEAST UNTIL JULY) THE SCHEDULING OF A PARIS DEBT CLUB MEETING IS EXTREMELY FIRM AND THAT FURTHER REPRESENTATIONS WOULD PROBABLY BE TO NO AVAIL. NONETHELESS, THE

CONFIDENTIAL

NNN

CONFIDENTIAL

PAGE 01 PARIS 07968 02 OF 02 281755Z

45

ACTION EB-07

INFO OCT-01 ARA-06 EUR-12 ISO-00 SSO-00 NSCE-00 INRE-00

SP-02 AID-05 NSC-05 CIEP-01 TRSE-00 SS-15 STR-04

OMB-01 CEA-01 CIAE-00 COME-00 FRB-03 INR-07 NSAE-00

XMB-02 OPIC-03 LAB-04 SIL-01 L-02 H-02 PRS-01 /085 W

----- 027505

O R 281747Z MAR 75

FM AMEMBASSY PARIS

TO SECSTATE WASHDC IMMEDIATE 7972

INFO AMEMBASSY BONN

AMEMBASSY SANTIAGO

C O N F I D E N T I A L SECTION 02 OF 02 PARIS 07968

PRESENCE OF SECRETARY SIMON IN PARIS FOR THE SIGNING OF THE FINANCIAL SUPPORT FUND ON APRIL 9 PROVIDES AN OPPORTUNITY FOR HIM TO MAKE A DIRECT APPEAL TO FOURCADE, AND WE RECOMMEND THAT THE EFFORT BE MADE.

SHOULD WASHINGTON DECIDE AGAINST THIS COURSE OR SHOULD IT BE UNSUCCESSFUL, OUR OPTIONS WOULD SEEM TO BE LIMITED TO THE FOLLOWING: (A) AGREE TO A CREDITORS ONLY MEETING IN PARIS IN THE HOPE THAT THE MAIN ELEMENTS OF AN AGREEMENT ON RESCHEDULING THE 1975 DEBT CAN BE TENTATIVELY REACHED AND THAT THESE COULD THEN BE COMMUNICATED INFORMALLY TO THE GOC WITH THE

UNDERSTANDING THAT THIS INFORMAL AGREEMENT COULD NOT
BE FORMALLY RATIFIED UNTIL, SAY, JULY; OR (B) SEEK
TO HAVE THE VENUE OF THE PARIS DEBT CLUB SHIFTED TO
ANOTHER CITY IN THE CERTAIN KNOWLEDGE THAT FRANCE
WOULD DROP OUT. EMBASSY BONN IS IN A BETTER POSITION
TO JUDGE WHETHER THE FRG WOULD ATTEND SUCH A MEETING
WITH FRANCE ABSENT. THERE IS ALSO THE POSSIBILITY
THAT THE DEFECTION OF FRANCE WOULD LEAD FURTHER
CONFIDENTIAL

CONFIDENTIAL

PAGE 02 PARIS 07968 02 OF 02 281755Z

CREDITORS TO DROP OUT EVEN IF THE GERMANS STAYED IN.
WITH BOTH THE FRENCH AND GERMANS OUT, IT WOULD BE
HARD TO MAINTAIN THE PRETEXT THAT THE CLUB STILL
EXISTED.
RUSH

CONFIDENTIAL

NNN

Message Attributes

Automatic Decaptioning: X
Capture Date: 01 JAN 1994
Channel Indicators: n/a
Current Classification: UNCLASSIFIED
Concepts: POLICIES, DEBT REPAYMENTS, GOVERNMENT DEBTS, MEETINGS
Control Number: n/a
Copy: SINGLE
Draft Date: 28 MAR 1975
Decaption Date: 01 JAN 1960
Decaption Note:
Disposition Action: RELEASED
Disposition Approved on Date:
Disposition Authority: buchantr
Disposition Case Number: n/a
Disposition Comment: 25 YEAR REVIEW
Disposition Date: 28 MAY 2004
Disposition Event:
Disposition History: n/a
Disposition Reason:
Disposition Remarks:
Document Number: 1975PARIS07968
Document Source: CORE
Document Unique ID: 00
Drafter: n/a
Enclosure: n/a
Executive Order: GS
Errors: N/A
Film Number: D750109-0825
From: PARIS
Handling Restrictions: n/a
Image Path:
ISecure: 1
Legacy Key: link1975/newtext/t1975036/aaaaafjs.tel
Line Count: 188
Locator: TEXT ON-LINE, ON MICROFILM
Office: ACTION EB
Original Classification: CONFIDENTIAL
Original Handling Restrictions: n/a
Original Previous Classification: n/a
Original Previous Handling Restrictions: n/a
Page Count: 4
Previous Channel Indicators: n/a
Previous Classification: CONFIDENTIAL
Previous Handling Restrictions: n/a
Reference: 75 PARIS 7769, 75 STATE 69960
Review Action: RELEASED, APPROVED
Review Authority: buchantr
Review Comment: n/a
Review Content Flags:
Review Date: 23 MAY 2003
Review Event:
Review Exemptions: n/a
Review History: RELEASED <23 MAY 2003 by ifshinsr>; APPROVED <06 OCT 2003 by buchantr>
Review Markings:

Margaret P. Grafeld
Declassified/Released
US Department of State
EO Systematic Review
05 JUL 2006

Review Media Identifier:
Review Referrals: n/a
Review Release Date: n/a
Review Release Event: n/a
Review Transfer Date:
Review Withdrawn Fields: n/a
Secure: OPEN
Status: NATIVE
Subject: CHILE DEBT RESCHEDULING
TAGS: EFIN, CI
To: STATE
Type: TE
Markings: Margaret P. Grafeld Declassified/Released US Department of State EO Systematic Review 05 JUL 2006